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Restaurant Business

A BILL PUBLICATION

JANUARY 1, 1987

TURNAROUND STRATEGIES

NAUGLES' NEW GAME PLAN; CUCOS' BATTLE TO BOUNCE BACK

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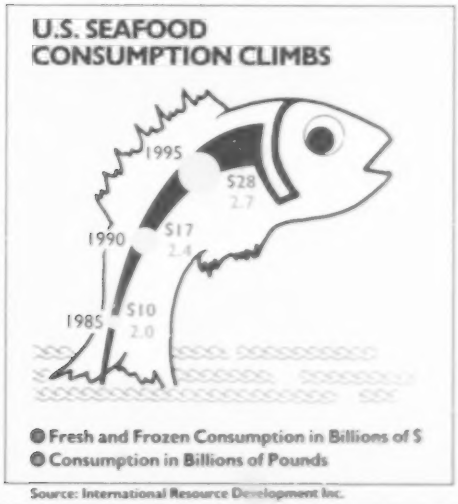
BUSINESS BAROMETER

The Hard Facts Shaping Our Industry

By Linda Cecere



Source: International Resource Development Inc.

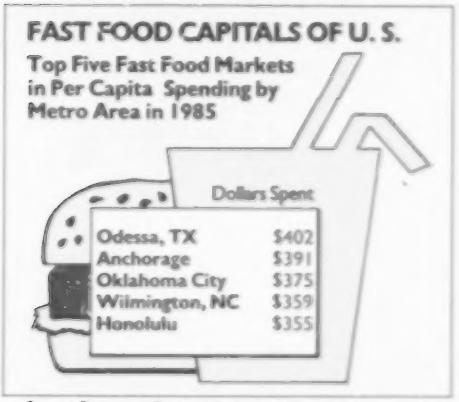
Seafood Sales Soar

The rise in U. S. consumption of fresh and frozen seafood should balloon to $28 billion in 1995 from 1985's $10 billion. Health conscious consumers, particularly baby boomers and working women, have been willing to pay premium prices for seafood away from home, where 60% of fresh and frozen fish was eaten in 1985. Overall fish market share: restaurants, 40%; fast food, 14%; at-home, 40%; and institutions, 6%.

Source: Laventhol & Horwath for National Restaurant Assn.

Is The Future Italian?

No wonder chains such as Jerrico, General Mills, and Imasco are adding Italian concepts to their restaurant mix. In 1985, Italian achieved highest sales per seat, $5,925, compared to the next highest menu concept, Mexican, at $5,354. Industry data show the Italian segment has between 3 and 4 times fewer units than Mexican.


FAST FOOD CAPITALS OF U. S.
Top Five Fast Food Markets in Per Capita Spending by Metro Area in 1985
Dollars Spent
Odessa, TX $402
Anchorage $391
Oklahoma City $375
Wilmington, NC $359
Honolulu $355

Source: *Restaurant Business'* Restaurant Growth Index

Work Hard, Eat Fast

What makes folks in Odessa, TX, eat more fast food than people in other towns? Answer: the city never sleeps. Its blue collar job force works 24-hour days and the city is a major shopping hub. Other top metropolitan areas have similar hard-driving work forces and hungry shoppers; also college students and tourists.

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Piece Meal: Shrimp, page 159.

Cover Story

TURNAROUND STRATEGIES. *This year RB profiles two chains that are at a critical turning point: Cucos of Lafayette, LA, and Naugles, a division of Los Angeles-based Collins Foods International, Inc. Both are trying to rectify problems and emerge from their troubles as stronger and more resilient players in the chain restaurant market. And, while neither is yet completely out of the woods, both appear to be making significant strides toward recovery*.....109

Food and Beverage

MENU IDEAS PASTA. *This popular product inspires imaginative preparations, because it is compatible with so many flavors, because of its low food cost, and because easy preparation allows the kitchen freedom to use even unusual ingredients that might be impractical in another dish*.....151

DRAFTS, CARAFES & SPIRITS SINGLE MALT SCOTCH. *Over the past few years as Americans have broadened their food and beverage sophistication, single malts have become a growing segment in a somewhat depressed spirits industry. Distillers and restaurant operators are promoting aged malts as super-premium specialties, and this category has high profit potential for on-premise sales*.....147

PIECE MEAL SHRIMP. *It's hard to believe that before World War II, shrimp was a luxury enjoyed only by those lucky enough to be near river or sea. Today, shrimp is available in virtually every restaurant, and it is perfect as a finger food or appetizer*.....159

Features

INDEPENDENT THE UNION OYSTER HOUSE. *A mainstay of the Boston scene, this restaurant has been serving seafood specialties since 1826. The 550-seat facility raked in sales of $6 million in 1985, despite stiff competition from nearby Faneuil Hall*..... 88

BOOK EXCERPT McDONALD'S. *In an RB exclusive, the first of four parts is excerpted from 'McDonald's Behind the Arches' by John F. Love, just published by Bantam Books*.....101

MULTI-UNIT OPERATOR HAMBURGER HARRY'S. *Burger devotees in New York City know where to go for seven-ounce "designer" hamburgers grilled over applewood and mesquite charcoal and topped with just about anything, including caviar. With quick service and high-quality food in a trendy but casual setting, owner Marvin Paige, founder of the two-unit, $2.5 million chain, says his units are in a unique niche of their own*.....120

MARKET SEGMENT REPORT CHICKEN. *The good news is that chicken consumption is up, but increased demand has also forced prices up, cutting into profits. And, the chicken chains are being hurt by the proliferation of chicken products, nuggets, and strips introduced by other fast food competition*.....125

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USACafes, *owner and operator of Bonanza Family Restaurants, will restructure the corporation into a limited partnership to eliminate corporate federal income taxes, thus increasing the level of cash available for distribution to shareholders*.....24

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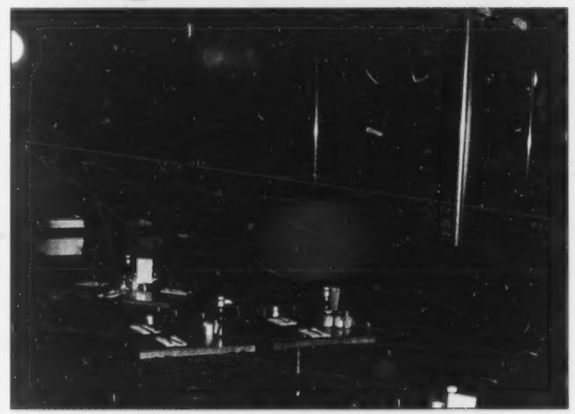

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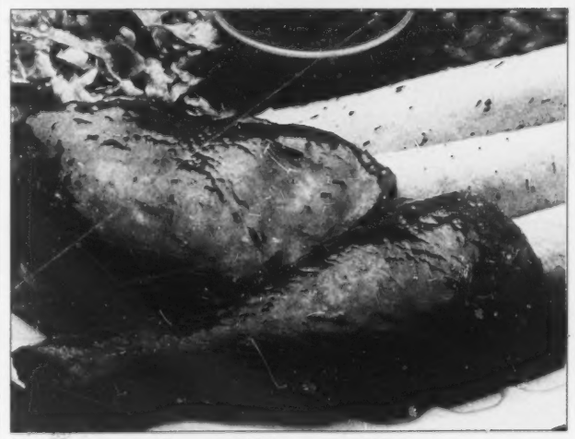

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